

**CONFIDENTIAL**

Dear Mr. President,

With regard to the new headquarters building for the Central Intelligence Agency, the Congress appropriated \$54,500,000 of which not more than \$8,500,000 is for the extension of the George Washington Memorial Parkway from its present terminus near Spout Run to the site which we have selected on Government-owned property near Langley in Fairfax County, Virginia; the remaining \$46,000,000 is for the building itself.

Our original plans contemplated a building for [ ] which would accommodate all of our activities and personnel in Washington in one building and allow for about a 5 per cent expansion if this should ever become necessary. We estimated that we would effect tangible savings of \$3,200,000 per annum. Due to rising construction costs and other factors, it is now estimated that it would require approximately \$59,000,000 to construct a relatively austere building in accordance with our original plans. For \$46,000,000 we can only construct a building which will accommodate [ ] personnel.

25X9

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Although it is highly desirable to have a building which is adequate to house all of our Washington activities and personnel, it would be feasible to add to it or construct a separate building at the same location to accommodate the remainder of our employees at a later date. Pending such additional construction, annual savings would be reduced from \$3,200,000 to something less than \$1,500,000. However, in accordance with your budget policy of proceeding now with only essential construction projects and of avoiding new legislation which would involve an increase of new obligational authority, we are proceeding with our plans to construct a building for \$46,000,000 which will make it necessary for us to provide other space in the Washington area for approximately

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We earnestly hope, in the interest of both efficiency and economy, that it will be possible at some future date to request additional funds which will permit us to accommodate all of our activities and personnel at one location.

Sincerely,

Allen W. Dulles  
Director

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